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C O N F I D E N T I A L SECTION 01 OF 03 HONG KONG 002728

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DEPARTMENT FOR EAP, EAP/CM  
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SUBJECT: JULY 1 DEMONSTRATIONS: PRELUDE TO 2007 CHIEF  
EXECUTIVE ELECTION

REF: HONG KONG 2709

Classified By: E/P Section Chief Simon Schuchat; Reasons 1.4 (b, d)

11. (C) Summary: on July 1, Hong Kong marked the ninth anniversary of its reversion to the PRC with three major events: an official flag-raising ceremony led by Chief Executive Donald Tsang, a "patriotic" parade organized by a coalition of pro-Beijing and pro-business organizations that drew 40-50,000 participants, and a pro-democracy rally and march through the city that attracted somewhere between 28,000 and 58,000 people, significantly more than last year's event. The pan-democrats generally were pleased that they were able to attract a sizable crowd in the absence of any pressing economic or political issues, and attributed their success in part to the active participation of former Chief Secretary Anson Chan, who still declines to clarify her plans

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for the 2007 Chief Executive election. Veteran political commentator Allen Lee told us on July 3, however, that "Beijing will not be moved by" the successful July 1 pro-democracy march. He said the central government currently was focused on the Chief Executive Election Committee process and would "use any means" to prevent the pan-democrats from amassing the one hundred electors necessary to contest the election. Lee said Chan still does not want to run, but eventually will bow to pressure from the pan-democrats, who are beset with various internal problems, because "they have no-one else." The pan-democrats also are awaiting a decision by Chan, whom they believe already has "paid the price for running against the candidate supported by Beijing." End Summary.

Competing Events

12. (SBU) On the morning of July 1, Hong Kong Chief Executive Donald Tsang officiated at a flag-raising ceremony to mark the ninth anniversary of Hong Kong's reversion to the PRC. Tsang told the invited attendees that the most important

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mission for Hong Kong was to ensure the successful implementation of the "One Country, Two Systems" and the "Hong Kong People Running Hong Kong" principles. Following the official event, adherents of Hong Kong's two major opposing political points of view organized separate large-scale public demonstrations. First, a coalition of pro-Beijing and pro-business organizations led by Hong Kong Federation of Trade Unions President Cheng Yiu-tong organized a "patriotic" parade that drew 40,000 (police estimate) to 50,000 (organizers' estimate) participants. Chief Secretary

Rafael Hui, two other cabinet members, Central Government Liaison Office officials, and the commander of the PLA Hong Kong Garrison attended, along with various local business and community leaders. There were musical and martial arts performances, followed by a three-hour parade.

13. (C) Later on the same day, the pan-democracy camp rallied at Victoria Park before marching through Hong Kong. Police and organizers estimated the crowd at 28,000 and 58,000 respectively, well above last year's figures of 17,000 and 21,000. Regardless of the precise number, the organizers were able to claim that attendance exceeded their publicized expectation of 30-40,000, although it fell far short of the much larger turnout of hundreds of thousands in 2003 and 2004, when more urgent political, economic, and social issues energized the masses. Civic Party member Joseph Cheng Yu-shek told us on July 3 that this year's roughly 50,000 was a "good turnout given the circumstances." Cheng also noted that since 2003, there has been a "certain sense of competition between the democrats and the patriots", and he conceded that "a majority of Hong Kong people probably were more in favor of the patriotic position than the democratic position." With the greater level of resources available to the pro-government and pro-Beijing organizations, Cheng said it was relatively easy for them to mobilize 50,000-100,000 people for a demonstration.

Star of the Show: Anson Chan

14. (SBU) Former Hong Kong Chief Secretary Anson Chan easily attracted the most attention during the pan-democratic march, drawing cheers from observers as she walked part of the route. Since announcing one week ago her plan to join the event, Chan had issued near-daily appeals for the people of Hong Kong to join the march. Before leaving the rally, Chan paused to answer questions from the media horde that had followed her. She said she did not intend to "make trouble"

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or to use the rally to further her personal political ambitions, and she urged the Government to take the initiative and map out a plan for implementation of universal suffrage. Finally, asked yet again whether she planned to run against Chief Executive Tsang in the 2007 election, Chan reiterated that she would make her position clear "at a suitable time." She also observed that the best way for the central government in Beijing to demonstrate its commitment to the "One Country, Two Systems" principle would be to give the people of Hong Kong universal suffrage.

15. (SBU) The pro-democracy political parties, including the Democratic Party, Civic Party, and The Frontier, also were out in force for the march, as were their most prominent leaders (Lee Wing-tat, Ronny Tong, Emily Lau, and others). The banners carried by their supporters largely focused on the issue of universal suffrage. Other participants included the Hong Kong Confederation of Trade Unions (HKCTU), advocating democratization as well as adoption of a minimum wage; the Hong Kong Journalists' Association, urging "A Fair, Just, and Open Trial for (imprisoned journalist) Ching Cheong;" the Falun Gong organization; animal rights activists; harbor front preservations; teachers; and a large contingent of Asian domestic workers protesting increased fees. A consulate observer estimated that roughly 85 percent of the participants were pro-democracy advocates.

16. (C) Pan-democratic leaders were pleased that the turnout for their march, while nowhere near the levels of the corresponding 2003 or 2004 events, or even the December 2005 rally against Chief Executive Tsang's plan for constitutional reform, exceeded both last year's level and some of the more pessimistic predictions for this year. They were happy not to have been embarrassed, and they noted, fairly, that there currently were no major political or economic crises to mobilize the masses. HKCTU Secretary General Lee Cheuk-yan

told us on July 3 that he felt the people of Hong Kong had shown "persistence" in attending the rally without any "urgent issues." Lee, who in the past has been somewhat lukewarm about Chan's democratic credentials, welcomed her participation but described her effect on the event as "limited but useful;" he believed the people of Hong Kong generally viewed Chan as a "person of the establishment," so her participation tended to lend more credibility to the pan-democratic event.

Beijing "Will Not Be Moved"

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17. (C) On July 3, Liberal Party founder and veteran political commentator Allen Lee told us that, while the July 1 pan-democracy march was successful, "Beijing will not be moved by it." He said the central government's efforts currently were focused on the Chief Executive Election Committee process, due to begin in December, and they would "use any means" to ensure that the pan-democrats are unable to amass the one hundred nominations necessary to contest the election. Lee said Chan's candidacy would put a lot of pressure on Donald Tsang: although she certainly would lose a vote in the Election Committee, she might subsequently defeat Tsang in the public popularity polls. He also believed that

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Chan still does not want to run, but eventually will bow to pressure from the pan-democrats, who are beset with various internal problems, because "they have no-one else." Chan could become their "spiritual leader."

18. (C) Lee also told us that his contacts in Beijing recently had asked him whether he could convince Anson Chan to join Donald Tsang's administration in some capacity, possibly as a member of the Executive Council (Exco). He said he planned to discuss this issue with Chan in the next few days, although he did not think she would agree. Lee also thought that a Chan candidacy would help Donald Tsang bargain more effectively with Beijing to gain their agreement for membership in his next cabinet and for establishment of a roadmap to universal suffrage.

Waiting for Anson

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19. (C) On July 3, the Civic Party's Joseph Cheng told us that now the pan-democrats "have to wait for Anson Chan." Cheng believed Anson already had decided to join the election, as she already had "paid the price for running against the candidate supported by Beijing." The democrats would not approach her, but if Chan decided to run she would be their candidate, both because she is respected and credible and

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because there is nobody else with her standing outside the democratic movement. Cheng said it was necessary to distinguish between Chan as a pro-democracy candidate and as a leader of the democracy movement; she could easily become the former, but would not be the latter.

Cunningham